

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 IO-14 AID-20 IGA-02 EB-11 SS-20 AGR-20

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TO SECSTATE WASHDC 1551

C O N F I D E N T I A L LA PAZ 7020

E.O. 11652: GDS

TAGS: SNAR BL

SUBJ: COCA CROP SUBSTITUTION

REF: STATE 222505

1. I HAVE DISCUSSED THE MESSAGE UNDER REFERENCE WITH ALL MEMBERS OF THE COUNTRY TEAM WHO HAVE RESPONSIBILITIES IN THE FIELD OF NARCOTICS CONTROL. THE RESULTS OF THIS DISCUSSION ARE THE OBSERVATIONS AND RECOMMENDATIONS THAT FOLLOW.

2. WE AGREE WITH THE DEPARTMENT'S OBSERVATION IN PARAGRAPH 2 REFTEL THAT A COMPREHENSIVE COCA PRODUCTION CONTROL PROGRAM IS ESSENTIAL TO CRIPPLE THE ILLICIT PRODUCTION OF COCAINE IN THIS COUNTRY. HOWEVER, WE BELIEVE THAT A COMPREHENSIVE PROGRAM MUST ENCOMPASS APPROACHES AT SEVERAL LEVELS AT THE SAME TIME IN ORDER TO EFFECTIVELY ATTACK THE MULTI-FACETED, SENSITIVE PROBLEM OF NARCOTICS CONTROL. CROP SUBSTITUTION IS MERELY ONE OF THE SEVERAL LEVELS, BQT SHOULD BE CONSIDERED AN INTEGRAL PART OF A COMPREHENSIVE PROGRAM, WHICH WOULD ALSO INCLUDE LAW ENFORCEMENT, EDUCATION AND REHABILITATION PROGRAMS, ETC.

3. WE AGREE WITH THE VIEW EXPRESSED IN REFTEL THAT OUR IMMEDIATE PRIORITIES ARE THE ENACTMENT, REGULATION AND ENFORCE-
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MENT OF MEANINGFUL LEGISLATION (EXECUTIVE DECREE IN BOLIVIA'S

CASE) FOR NARCOTICS CONTROL. INDEED, WE ARE MAKING SOME HEADWAY IN THIS REGARD. WE ALSO AGREE (AS DOES THE GOB) WITH THE VIEW EXPRESSED IN REFTEL THAT EXTENSIVE ADDITIONAL STUDY IS REQUIRED BEFORE EMBARKING ON A LARGE SCALE CROP SUBSTITUTION PROGRAM.

4. WE FIRMLY BELIEVE THAT THE EFFECTIVENESS OF ANY COCA PRODUCTION CONTROL EFFORT IS HEAVILY DEPENDENT ON REDUCING THE COMPARATIVE ADVANTAGE OF COCA OVER ALTERNATIVE CROPS. WE ARE NOT OPTIMISTIC THAT ANY ALTERNATIVE CROP COULD PROVIDE A COMPARATIVE ADVANTAGE OVER COCA, AT PRESENT PRICES AT LEAST. HOWEVER, WE SEE A WORTHWHILE POSSIBILITY THAT ADAPTIVE RESEARCH, EXTENSION SERVICES AND OTHER SUPPORT FOR ALTERNATIVE CROPS IN COCA PRODUCING AREAS COULD SUBSTANTIALLY REDUCE THE MARGIN OF COMPARATIVE ADVANTAGE FOR COCA, AND THAT SUCH REDUCTION WOULD PROPORTIONATELY ENHANCE THE EFFECTIVENESS OF A COCA PRODUCTION CONTROL PROGRAM, I.E., THE CAMPESINO'S WILLINGNESS TO RISK THE SANCTIONS OF A COCA PRODUCTION CONTROL PROGRAM WOULD VARY ACCORDING TO THE RELATIVE PROFITABILITY OF COCA OVER THE MOST PROFITABLE ALTERNATIVE CROP.

5. FOR THIS REASON, TOGETHER WITH THE STRONG INTEREST IN CROP SUBSTITUTION SHOWN BY THE GOB, AND THE STRONG ENDORSEMENT OF A COMPREHENSIVE APPROACH TO THE COCAINE PROBLEM, INCLUDING CROP SUBSTITUTION, IN THE GAO REPORT NOW UNDER PREPARATION HERE, THIS MISSION RECOMMENDS THAT AN ADDITIONAL \$205,000 IN NARCOTICS FUNDS BE ALLOCATED TO OUR FY 1975 NCAP TO FINANCE A JOINT US-BOLIVIA FIELD RESEARCH PROGRAM IN ALTERNATIVE CROP DEVELOPMENT. SUCH A RESEARCH EFFORT WOULD INCLUDE FIELD TESTING STATIONS IN BOTH OF THE HIGHLY DIFFERENTIATED COCA GROWING AREAS OF BOLIVIA (THE YUNGAS AND CHAPARE AREAS). ALSO, IT CAN BE ANTICIPATED THAT AS SOON AS FEASIBLE, THIS FIELD RESEARCH WOULD INCORPORATE CROP SUBSTITUTION PILOT PROJECTS, BOTH AS A CONTROL DEVICE FOR THE RESEARCH AND AS A MEASURE OF ASSESSING THE EFFECTIVENESS OF CROP SUBSTITUTION IN THE REAL WORLD WHEN COMBINED WITH LAW ENFORCEMENT.

6. WE ESTIMATE THE COST OF THIS FIELD RESEARCH AT \$165,000 IN THE FIRST YEAR AND \$115,000 IN SUBSEQUENT YEARS; AND THE COST OF THE PILOT PROJECTS AT \$40,000 IN THE FIRST YEAR, \$80,000 IN

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THE SECOND YEAR, AND \$60,000 IN SUBSEQUENT YEARS. WE ESTIMATE THAT SUCCESSFUL ALTERNATIVE CROP DEVELOPMENT WOULD TAKE AT LEAST FIVE YEARS.

7. THE NARCOTICS CONTROL PROGRAM IN BOLIVIA IS IN THE INCIPIENT STAGE. TO BE EXACT, THERE ARE 17 DEDICATED POLICE OFFICERS, FAIRLY WELL EQUIPPED AND TRAINED BY USAID AND DEA WHO WORK LIKE CRUSADERS TO FIND AND DESTROY COCAINE LABORATORIES. IN THE

COMING MONTHS WE HOPE TO TRAIN AND EQUIP ANOTHER DOZEN OR SO POLICE OFFICERS IN THE DRUG ENFORCEMENT FIELD, AND GIVE ELEMENTARY NARCOTICS TRAINING TO CUSTOMS OFFICIALS AND BORDER GUARDS. THIS PROGRAM, AS CONTAINED IN OUR NCAP, IS EFFECTIVE AS FAR AS IT GOES, AND SUCCESS CAN BE MEASURED BY THE GROWING AMOUNTS OF COCAINE SEIZED EACH MONTH. HOWEVER, PRODUCTION RESPONDING TO FOREIGN DEMAND FOR THE PRODUCT IS ALSO INCREASING RAPIDLY, SO THAT POLICE ACTION AGAINST LABORATORIES AND SMUGGLERS IS NOT THE TOTAL OR FINAL SOLUTION. CROP CONTROL WOULD BE THE SINGLE MOST EFFECTIVE SOLUTION.

8. AS INDICATED ABOVE, I THINK THE DEVELOPMENT AND PROMOTION OF MORE PROFITABLE ALTERNATIVE CROPS BEAR DIRECTLY ON THE EFFECTIVENESS OF ANY COCA PRODUCTION CONTROL PROGRAM. MOREOVER, I BELIEVE OUR CHANCES OF CONVINCING THE GOB TO TAKE THE POLITICALLY DIFFICULT STEP OF SERIOUSLY CURTAILING PRODUCTION OF COCA WOULD BE MUCH IMPROVED IF WE ALSO SHOWED INTEREST IN HELPING IN THIS WAY TO RESOLVE THE RESULTANT ECONOMIC AND SOCIAL PROBLEMS. I AM HOPEFUL THAT WITH STUDY AND IMAGINATIVE EXPERIMENTATION NOW, AND A COMPREHENSIVE, UNDERSTANDING APPROACH TO THE PROBLEMS OVER THE NEXT FEW YEARS, WE CAN HELP MAKE BOLIVIA A LEAN SOURCE OF COCAINE TO INTERNATIONAL TRAFFICKERS.

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